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THE CONGRESSIONAL FRONT
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FARM LAND IN THE NATION'S CAPITAL

Believe it or not but there is a five-hundred acre farm in the District of Columbia which contains two-hundred head of cattle, six-thousand chickens and which loses about \$9,000 a year. This farm is attached to the National Soldiers Home in the District of Columbia. The reason advanced for the annual loss is that dairy products and poultry products are sold at a price well below market levels.

NO STATE SALES TAXES ON DEFENSE PROJECTS

The War and Navy Departments have reported to Congress that state sales taxes on materials and services employed on defense contracts has boosted the defense bill by more than a billion dollars. They have suggested to Congress that such defense purchases and services be exempted from the provisions of all sales tax laws. In the State of Illinois the sales tax collections for the last year aggregated \$169,550,000 and constituted sixty-eight percent of all state revenues. The enactment of the pending bill by Congress would seriously diminish the amount now collected in the form of sales taxes by the various states.

THE PUBLIC DEBT

On June 30, 1942 the Public Debt will be approximately seventy-billion dollars. On June 30, 1943 it will be approximately one-hundred ten billion dollars. On the latter debt the annual interest charge will be in excess of \$2,500,000,000 per year.

WAR SPAWNED INDUSTRIES

War can provoke new industries. Witness the development in lower California of the shark liver industry. Prior to Pearl Harbor most of the shark livers used in this country for oil came from the Orient. War has completely dried up this source of supply and a new industry has developed in lower California in the last eighteen months. It provides a carload of shark livers per month. They are packed in five gallon cans with six-hundred eighty cans per carload. Shark livers are rich in vitamins A and D and the oil extracted is widely used.

THE GOVERNMENT MAY DO BUSINESS WITH THE GOVERNMENT

Out of the long discussions concerning the situation confronting the small business men of the country has come a proposal to create a SMALLER WAR PLANTS CORPORATION with a capital of \$100,000,000 which shall be used as a revolving fund. This government owned and government controlled corporation would be authorized to bid on government contracts as a prime contractor and then subcontract such contracts to smaller industries. It is a novel and practical idea. In a sense it would be a case of government doing business with the government.

THE CARLISE ALLOWANCE.

Nearly fifty years ago the Treasury Department recognized the fact that distilled spirits stored in oaken barrels for long periods of time would be diminished in quantity through evaporation and leakage. If a distiller were compelled to pay Internal Revenue taxes on the original quantity placed in the barrel, he would, in fact, be taxed for spirits which were not there when withdrawn from bond. A formula was devised whereby the distiller could deduct certain losses, depending on the length of the time such spirits had been stored in the warehouse. Recently it was discovered after testing a half-million barrels of bonded spirits that the losses were greater than those allowed by the Treasury Department and that the industry was actually sustaining an annual net loss of \$6,000,000 per year. The reason for these increased losses lies in the fact that the oak timber of today is more porous than that of a half-century ago, that machine-made staves are not as tight as hand-riven staves and that virtually all spirits are today stored in heated warehouses. Congress, therefore, proposes in the interest of equity to modify the loss table. This allowance is known as the Carlise Allowance and is named after the former Congressman John Carlise of Kentucky who later served as Secretary of the Treasury.

MORE GRAIN FOR ALCOHOL.

Alcohol is used in large quantities in the manufacture of smokeless powder and it is estimated that 375,000,000 gallons of high-proof alcohol will be necessary for this purpose. In 1941, more than 70% of all the ethyl alcohol produced in the U. S. was derived from molasses. It is now proposed to use corn and wheat for this purpose and a plan has been devised to release stocks of grain now owned by the Commodity Credit Corporation for conversion into industrial alcohol.

YANKEE BALL PARK IN WASHINGTON.

Folks who live and work in the nation's capitol were stirred to high interest in recent days when they observed the construction of a high board fence around a small park in the very heart of the city. It looked like an abridged edition of the Yankee Ball Park. Shortly after the stockade was erected, steam shovels and contractors equipment moved on the scene and then it was learned that the Office of Government Reports was constructing a temporary building on this spot. This agency is made up of information specialists whose business it is to tell Government what people think and to tell the people what Government thinks. It soon learned that both Congress and the people think that this is a vast and indefensible bit of extravagance.

CROP INSURANCE.

In 1938, Congress authorized the Federal Crop Insurance Corporation to undertake the insurance of wheat yields. Since then cotton has been added. The Corporation has now had three full years of experience in wheat insurance. In those three years, it lost \$12,000,000 in operations since the indemnities paid exceeded the premiums by that amount. In addition, there was an expenditure of huge sums out of the Federal Treasury for administrative expenses. Net losses therefore for three years 1939, 1940 and 1941 are therefore in excess of \$10,000,000 per year.